

WESTCHESTER-PUTNAM MULTIPLE LISTING SERVICE, INC.



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THIRD QUARTER 1999 RESIDENTIAL REAL ESTATE SALES REPORT Westchester and Putnam Counties, New York

Overview

The signs of a possible sales slowdown that were observed in the second quarter in Westchester and Putnam Counties turned out to be false signals. The third quarter residential real estate market actually was quite strong.

Realtor firms participating in the Westchester-Putnam Multiple Listing Service, Inc. reported 3,359 closings of real estate sales in Westchester during July, August and September, an increase of 3% over last year's third quarter closings. Putnam County sales were up by more than 12%. The dollar volume of those sales was nearly \$1.3 billion in Westchester and \$105 million in Putnam.

Single family and condominium sales in Westchester were slightly below last year's third quarter levels, but a 33% surge in co-op sales more than made up the difference.

Seasonally adjusted¹, the Westchester sales were equivalent to a rate of 10,310 sales per year, a 1% increase from the second quarter rate. In Putnam County there was practically no change from the second quarter adjusted rate. The third quarter closings in both counties largely reflected sales of properties that were listed and sent to contract during the busy spring season of April, May and June.

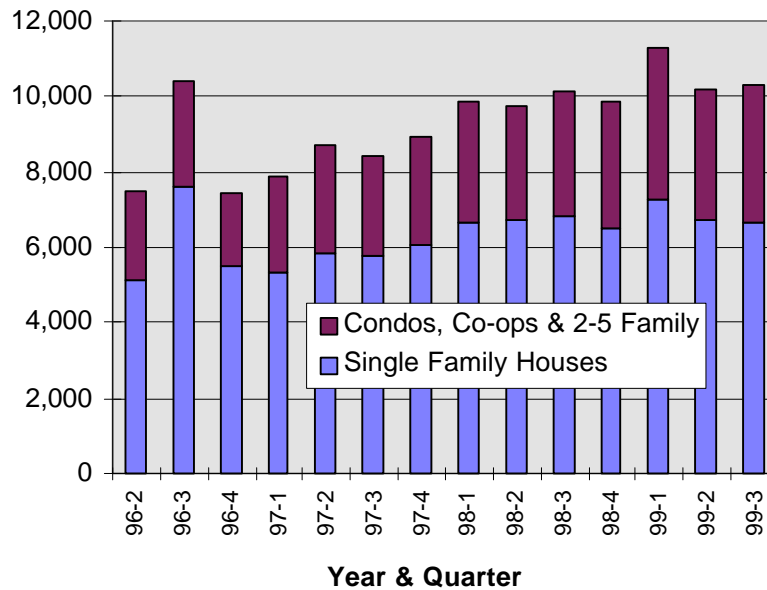
By the close of the quarter the inventory of properties for sale had fallen drastically in comparison to that of last year's third quarter, by 28% in Westchester, to just 4,227 units, and by 24% in Putnam, to 808 units. The usual influx of newly listed properties in the spring and summer months was barely sufficient to meet the active demand at that time and was wholly insufficient to halt the steady erosion of inventory since about mid-1996. There is no doubt that total sales volumes would have been far higher had there been more inventory.

Total residential sales in Westchester for the first nine months of the year numbered 7,865, an increase of 4% over the equivalent period in 1998, and 25% over 1997.

Mortgage interest rates had slowly increased during the April to June period when the third-quarter closed properties were actively on the market, but that fact evidently did not discourage prospective buyers. The average rate on 30-year conventional mortgages in the New York area increased from about 7% in April to a high of nearly 8% by the end of June. That increase probably stimulated sales to a certain extent by prompting buyers to act more quickly in order to avoid still higher rates.

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Seasonally Adjusted Sales, Westchester



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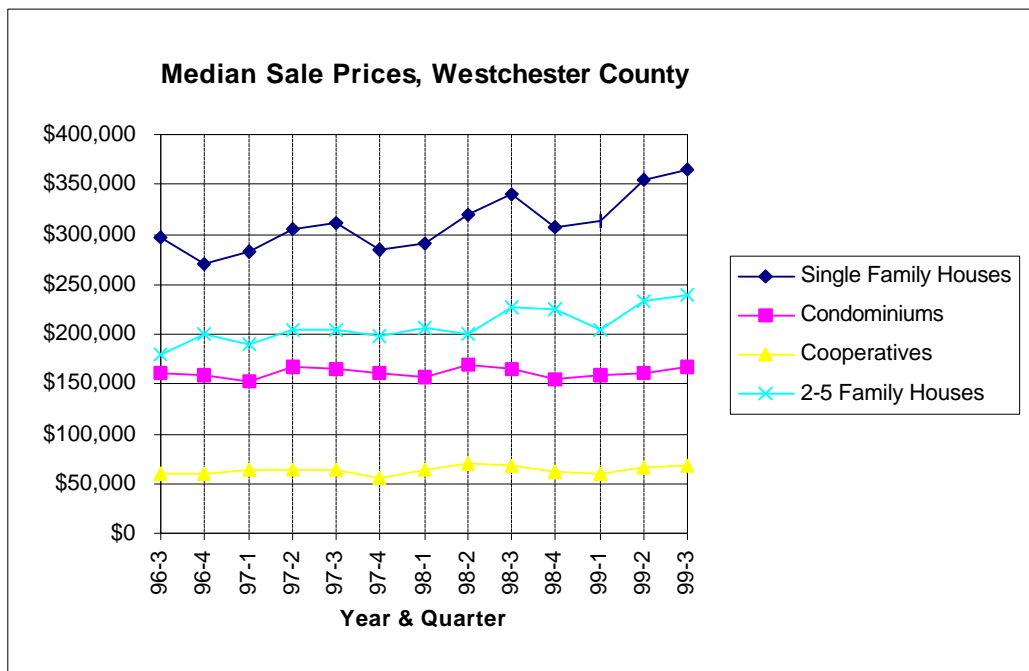
SEASONALLY ADJUSTED SALES, 1997-99, WESTCHESTER COUNTY

TYPE	1997	1997	1998		1998	1999		1999	
	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	
Single Family	5,760	6,040	6,660	6,710	6,840	6,520	7,260	6,740	6,660
Condominiums	970	1,270	1,310	1,170	1,410	1,400	1,570	1,480	1,370
Cooperatives	1,170	1,110	1,370	1,280	1,270	1,380	1,690	1,370	1,710
2-5 Family	<u>520</u>	<u>490</u>	<u>500</u>	<u>580</u>	<u>600</u>	<u>540</u>	<u>740</u>	<u>590</u>	630
TOTAL	8,420	8,910	9,840	9,740	10,120	9,840	11,260	10,180	10,310

Price changes in the third quarter period varied widely according to property type, price range and bedroom count, but the overall increase among all classes of property (single family houses, condominiums, cooperatives and 2-5 family houses) was surprisingly low considering the imbalance of supply and demand. In Westchester, the median² sale price among all types and sizes of units was \$282,000, an increase of \$7,000 or 3% over the third quarter of 1998. The mean² sale price of \$384,578 was much higher, by 9%, than last year's. However, this percentage increase was mostly confined to the higher-end of the single family house market and did not represent across-the-board price appreciation. For example, the condominium and cooperative medians hardly changed from last year. Percentage price increases in Putnam County were about half of Westchester's.

ACTUAL QUARTERLY SALES, 1997-99, WESTCHESTER COUNTY

TYPE	1997	1997	1998		1998	1998	1999	1999	1999
	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr
Single Family	1,918	1,439	1,179	1,708	2,275	1,539	1,249	1,600	2,256
Condominiums	317	313	231	354	452	350	269	376	441
Cooperatives	334	300	260	313	365	384	327	369	486
2-5 Family	143	137	108	134	163	152	157	159	176
TOTAL	2,712	2,189	1,778	2,509	3,255	2,425	2,002	2,504	3,359



Year & Quarter	Single Family House	Condo-minium	Co-op	2-5 Family House
96-3	\$297,000	\$161,000	\$60,000	\$180,000
96-4	\$270,000	\$158,500	\$60,000	\$199,000
97-1	\$282,000	\$153,000	\$64,000	\$190,000
97-2	\$306,000	\$166,500	\$63,000	\$205,000
97-3	\$311,500	\$165,500	\$63,000	\$205,000
97-4	\$284,000	\$160,000	\$56,000	\$197,000
98-1	\$290,000	\$157,000	\$63,000	\$206,000
98-2	\$320,000	\$169,000	\$69,825	\$200,000
98-3	\$340,000	\$165,000	\$69,000	\$227,000
98-4	\$306,500	\$155,000	\$62,000	\$225,000
99-1	\$313,000	\$157,900	\$59,000	\$205,000
99-2	\$355,000	\$161,000	\$65,000	\$232,500

END OF QUARTER INVENTORY, 1997-99, WESTCHESTER COUNTY

TYPE	1997	1997	1998		1998	1999		1999	
	3rd Qtr	4th Qtr	1998 1st Qtr	2nd Qtr	3rd Qtr	1998 4th Qtr	1999 1st Qtr	1999 2nd Qtr	3rd Qtr
Single Family	4,805	3,683	3,945	3,912	3,467	2,604	2,787	2,912	2,501
Condominiums	846	666	685	717	588	470	499	463	365
Cooperatives	1,541	1,323	1,422	1,415	1,250	1,126	1,130	1,099	926
<u>2-5 Family</u>	<u>646</u>	<u>531</u>	<u>546</u>	<u>584</u>	<u>535</u>	<u>434</u>	<u>453</u>	<u>514</u>	<u>435</u>
TOTAL	7,838	6,203	6,598	6,628	5,840	4,634	4,869	4,988	4,227

YEAR TO DATE SALES, WESTCHESTER

3RD QTRS, 1997-99

TYPE	1997	1998	1999	% 98-99
Single Family	4,344	5,162	5,105	-1%
Condominiums	802	1,037	1,086	5%
Cooperatives	802	938	1,182	26%
<u>2-5 Family</u>	<u>367</u>	<u>405</u>	<u>492</u>	21%
TOTAL	6,315	7,542	7,865	4%

WESTCHESTER COUNTY

ALL RESIDENTIAL* SALES **3rd Qtr 97** **3rd Qtr 98** **3rd Qtr 99** **% Change 98 to 99**

Number of Sales	2,712	3,255	3,359	3%
Seasonally Adjusted	8,420	10,120	10,310	2%
Dollar Volume (\$millions)	\$886.10	\$1,152.83	\$1,291.80	12%
Median Sale Price				
All Units	\$254,000	\$275,000	\$282,000	3%
0 - 2 Bedrooms	na	\$122,000	\$117,500	-4%
3 Bedrooms	na	\$265,000	\$283,000	7%
4+ Bedrooms	na	\$428,000	\$500,000	17%
Mean Sale Price				
All Units	\$327,099	\$354,239	\$384,578	9%
0-2 Bedrooms	na	\$139,427	\$133,752	-4%
3 Bedrooms	na	\$284,414	\$314,851	11%
4+ Bedrooms	na	\$539,096	\$638,834	19%

Inventory @ end of Qtr 7,838 5,840 4,227 -28%

**Single family houses, condominiums, cooperatives, 2-5 family houses*

Single Family Houses, Westchester

There were 2,256 closed sales of single family houses in Westchester, about the same number as during the third quarter of 1998. The seasonally adjusted rate was 6,660 sales per year, just 1% below the second quarter rate and 3% less than last year's third quarter rate. Sales were constrained by very low inventory which fell to only 2,501 units by the close of the quarter, a level that was 28% below last year's count.

The third quarter average sale prices were very high due to the imbalance of supply and demand. The median sale price of \$365,000 was \$25,000 or 7% higher than last year's third quarter median. The mean sale price of \$497,392 was 13% higher than last year's. Sales were strong in all price ranges, but the major price increases occurred among the larger and more expensive 4+ bedroom units. Million-dollar-plus sales - 156 of them in the third quarter - also inflated the averages in the single family house sector.

WESTCHESTER COUNTY				
<u>SINGLE FAMILY HOUSES</u>	<u>3rd Qtr 97</u>	<u>3rd Qtr 98</u>	<u>3rd Qtr 99</u>	<u>% Change 98 to 99</u>
Number of Sales	1,918	2,275	2,256	-1%
Seasonally Adjusted	5,760	6,840	6,660	-3%
Dollar Volume (\$millions)	\$769.40	\$998.68	\$1,122.12	12%
Median Sale Price				
All Units	\$311,500	\$340,000	\$365,000	7%
0 - 2 Bedrooms	na	\$191,000	\$190,000	-1%
3 Bedrooms	na	\$270,000	\$289,000	7%
4+ Bedrooms	na	\$429,000	\$500,000	17%
Mean Sale Price				
All Units	\$401,613	\$438,981	\$497,392	13%
0-2 Bedrooms	na	\$253,266	\$219,606	-13%
3 Bedrooms	na	\$290,235	\$324,325	12%
4+ Bedrooms	na	\$541,021	\$641,224	19%
Inventory @ end of Qtr	4,805	3,467	2,501	-28%

Condominiums and Cooperatives, Westchester

The 441 condominium sales represented a small 2% decrease from the third quarter of 1998 but nevertheless were the highest amount after 1998's third quarter record. Seasonally adjusted to 1,370 sales per year, the third quarter rate decreased 7% from the prior quarter. Of all the sectors tracked by WPMLS, the condominium sector experienced the most drag from exceedingly low inventory levels in recent quarters. The 1999 third quarter inventory was only 365 units, 38% fewer than last year's third quarter inventory

The median sale price of a condominium was \$166,700, up by \$1,700 or just 1% from a year ago. The mean sale price of \$194,839 was 3% higher, largely due to the sale of a few more highly priced luxury units this year than last year.

The cooperative unit market was by far the fastest paced sector in Westchester. The third quarter sales of 486 units were the most for any quarter on record and were 33% more than last year's third quarter sales. The seasonally adjusted rate of 1,710 sales per year was a 25% increase over the second quarter rate.

The high activity may have resulted from more buyers, especially first-time buyers, considering co-ops as an alternative to much more highly priced single family houses. The \$69,000 third quarter median sale price of a co-op was unchanged from a year ago; the mean sale price of \$82,435 was 1% less than that of a year ago.

Like the inventory in other market sectors, third quarter co-op inventory dropped sharply, 26%, from that of last year. However, in relation to overall market activity, the 926 co-op units remaining at the end of the quarter were more, proportionally, than for the other sectors. Thus the co-op market was able to satisfy demand without undue pressure on prices.

WESTCHESTER COUNTY

<u>CONDOMINIUMS</u>	<u>3rd Qtr 97</u>	<u>3rd Qtr 98</u>	<u>3rd Qtr 99</u>	<u>% Change 98 to 99</u>
Number of Sales	317	452	441	-2%
Seasonally Adjusted	970	1,410	1,370	-3%
Dollar Volume (\$millions)	\$58.60	\$84.49	\$85.92	2%
Median Sale Price				
All Units	\$165,500	\$165,000	\$166,700	1%
0 - 2 Bedrooms	na	\$153,500	\$155,000	1%
3 Bedrooms	na	\$228,799	\$255,000	11%
4+ Bedrooms	na	\$299,500	\$435,000	45%
Mean Sale Price				
All Units	\$184,702	\$188,767	\$194,839	3%
0-2 Bedrooms	na	\$163,788	\$172,825	6%
3 Bedrooms	na	\$271,959	\$282,435	4%
4+ Bedrooms	na	\$308,500	\$417,636	35%
Inventory @ end of Qtr	846	588	365	-38%
<u>COOPERATIVES</u>	<u>3rd Qtr 97</u>	<u>3rd Qtr 98</u>	<u>3rd Qtr 99</u>	<u>% Change 98 to 99</u>
Number of Sales	334	365	486	33%
Seasonally Adjusted	1,170	1,270	1,710	35%
Dollar Volume (\$millions)	\$26.60	\$30.19	\$40.06	33%
Median Sale Price				
All Units	\$63,000	\$69,000	\$69,000	0%
0 - 2 Bedrooms	na	\$65,000	\$65,000	0%
3 Bedrooms	na	\$127,000	\$117,500	-7%
4+ Bedrooms	na	\$215,000	\$200,000	-7%
Mean Sale Price				
All Units	\$79,680	\$83,290	\$82,435	-1%
0-2 Bedrooms	na	\$75,312	\$75,509	0%
3 Bedrooms	na	\$167,730	\$163,247	-3%
4+ Bedrooms	na	\$215,000	\$200,000	-7%
Inventory @ end of Qtr	1,541	1,250	926	-26%

WESTCHESTER COUNTY

<u>2-5 FAMILY HOUSES</u>	<u>3rd Qtr 97</u>	<u>3rd Qtr 98</u>	<u>3rd Qtr 99</u>	<u>% Change 98 to 99</u>
Number of Sales	143	163	176	8%
Seasonally Adjusted	520	600	630	5%
Dollar Volume (\$millions)	\$31.50	\$38.64	\$43.69	13%
Median Sale Price	\$205,000	\$227,000	\$240,000	6%
Mean Sale Price	\$220,468	\$237,076	\$248,261	5%
Inventory @ end of Qtr	646	535	435	-19%

Putnam County

Sales volume percentage increases in Putnam County were much higher than Westchester's. The 416 single family house sales in the third quarter of 1999 were 12% more than last year's; the 93 condominium sales were 55% more than last year's. The seasonally adjusted rates for both property types were higher by comparable percentages.

End-of-quarter inventory in Putnam County fell by significant amounts compared to a year ago. There were 736 available listed houses at the end of the third quarter compared to 939 last year, a decrease of 22%. The co-op inventory was only 72 units, 44% below 1998's third quarter level.

The median sale price of a single family house was \$200,000, an increase of \$2,500 or 1% from a year ago. The mean sale price of \$222,683 was 8% higher. The increases in Putnam County were more evenly spread among all price ranges than in Westchester. The median sale price of a condo was \$132,000, up by 2%; the mean sale price of \$136,327 was 3% higher than last year.

PUTNAM COUNTY

<u>SINGLE FAMILY HOUSES</u>	<u>3rd Qtr 97</u>	<u>3rd Qtr 98</u>	<u>3rd Qtr 99</u>	<u>% Change 98 to 99</u>
Number of Sales	267	373	416	12%
Seasonally Adjusted	800	1,120	1,240	11%
Dollar Volume (\$millions)	\$50.60	\$76.67	\$92.64	21%
Median Sale Price				
All Units	\$177,800	\$197,500	\$200,000	1%
0 - 2 Bedrooms	na	\$112,000	\$137,000	22%
3 Bedrooms	na	\$188,000	\$198,000	5%
4+ Bedrooms	na	\$250,000	\$285,000	14%
Mean Sale Price				
All Units	\$189,629	\$205,547	\$222,683	8%
0-2 Bedrooms	na	\$119,412	\$139,888	17%
3 Bedrooms	na	\$191,597	\$211,589	10%
4+ Bedrooms	na	\$273,980	\$300,039	10%
Inventory @ end of Qtr	1,158	939	736	-22%

PUTNAM COUNTY

CONDOMINIUMS	3rd Qtr 97	3rd Qtr 98	3rd Qtr 99	% Change 98 to 99
Number of Sales	41	60	93	55%
Seasonally Adjusted	160	190	280	47%
Dollar Volume (\$millions)	\$5.20	\$7.91	\$12.68	60%
Median Sale Price				
All Units	\$126,000	\$130,000	\$132,000	2%
0 - 2 Bedrooms	na	\$130,000	\$130,000	0%
3 Bedrooms	na	\$128,500	\$155,000	21%
4+ Bedrooms	na	none	\$230,000	na
Mean Sale Price				
All Units	\$127,252	\$131,882	\$136,327	3%
0-2 Bedrooms	na	\$131,093	\$134,148	2%
3 Bedrooms	na	\$154,750	\$155,500	0%
4+ Bedrooms	na	none	\$230,000	na
Inventory @ end of Qtr	155	129	72	-44%

¹ The seasonally adjusted rate is an estimate of what the full year's sales would be if, based on past experience, the customary sales share of the current quarter were projected to a full twelve months. The adjusted rate permits comparisons of seasonally unequal periods by converting each period to its equivalent annual rate.

² The median sale price is the mid-point of all reported sales, i.e., half of the sales were for more than the median price and half were for less. The median is not affected by unusually low or high sale prices. The mean sale price is the arithmetic average, i.e., the sum of all sales prices divided by the number of sales. The mean does reflect the influence of very low or very high sale prices.

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